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BUSINESS INF. BUR.
CORPORATION FILE

ANNUAL REPORT

The
Morgan Lithograph Company

CLEVELAND, OHIO

SEP 24 1925

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OTIS & CO.
NOT TO BE TAKEN AWAY

For the year ended June 30th, 1925

OFFICERS

P. J. MORGAN.....President
GEO. W. MORGAN.....Vice President
A. H. MORGAN.....Vice President
E. S. GAYLOR, JR.....Vice President
V. CHARNLEY.....Secretary and Treasurer

DIRECTORS

P. J. MORGAN.....Cleveland, Ohio
A. H. MORGAN.....Cleveland, Ohio
GEO. W. MORGAN.....Cleveland, Ohio
V. CHARNLEY.....Cleveland, Ohio
JOHN SHERWIN.....Cleveland, Ohio
R. L. RICE.....Canton, Ohio
L. MOEN.....Chicago, Illinois

TRANSFER AGENTS

PREFERRED STOCK.....The Union Trust Co., Cleveland, O.
COMMON STOCK.....The Union Trust Co., Cleveland, O.
The Continental & Commercial Trust and Savings Bank, Chicago, Ill.

REGISTRARS

PREFERRED STOCK.....The Union Trust Co., Cleveland, O.
COMMON STOCK.....The Central National Bank Savings and Trust Co., Cleveland, Ohio.
The National Bank of the Republic, Chicago, Illinois.

THE MORGAN LITHOGRAPH COMPANY
CLEVELAND, OHIO

September 1, 1925.

To the stockholders of The Morgan Lithograph Company:

There is submitted herewith copy of certified balance sheet of your Company as of June 30, 1925 and income account of business transacted during the fiscal year ended as of that date.

The steady growth which your Company has enjoyed during the past continued during the year at an even greater rate, especially in the commercial poster end of the business where many new national advertisers were added to the already large list of commercial customers. The motion picture poster business also enjoyed a most healthy increase; and the management now feels that the two branches of the business are so balanced as to provide a most stable and profitable business.

MAY 24-32 JTIS HG

On June 25, 1925 the Company purchased the assets, subject to the liabilities, of Richey Lithographing Corporation and Butts Litho. Inc., and its subsidiary, the J. H. Tooker Printing Company, which companies were located in and about New York. In acquiring these properties and moving their plants under one roof, the Company not only increased its capacity to approximately 2,000,000 impressions per day but the addition of the New York plant places it in an even more strategic location with regard to its market.

The acquisition of these properties was financed through the increase of the authorized common capital stock from 60,000 to 100,000 shares and the issuance of 30,000 additional shares. The attached balance sheet does not show the completion of this financing. It shows the issuance of only 11,024 shares, and the balance of the financing as being taken care of through short time notes, which notes are convertible into common stock. Since June 30th, the date of the balance sheet, all of these notes have been retired through the issuance of the balance of the additional 30,000 shares of common stock—the Company, therefore, has no indebtedness, other than current bills.

The policies of your management will continue along the same lines as in the past and special attention will be given to the more intensive development of the commercial poster business.

Through the acquisition of the new companies and the contracts which they hold, the annual business of your Company should be doubled during the present year, and through the economies which have been and can be effected through this increased business, your management hopes that profits will be substantially increased.

Respectfully submitted
P. J. MORGAN,
President.

BALANCE

THE MORGAN LITHOGRAP

As of the close of bu

ASSETS

Current		
Cash	$ 71,208.57	
U. S. Govt. Securities	240,398.92	
Notes and Acceptances Receivable	49,174.80	
Accounts Receivable	571,215.41	
Inventory	1,249,807.38	$2,181,805.08
Other Assets		
Miscellaneous accounts and notes, advances to agents, investments, etc.		153,439.13
Preferred Stock Guarantee Fund		29,426.25
Fund for Liquidation of Mortgage		
Liberty Bonds	60,869.16	
Less amount of mortgage	60,000.00	869.16
Permanent		
Leaseholds on Property	397,487.18	
Buildings and Equipment less allowance for depreciation	1,425,557.62	
Engravings on plates and stones	150,000.00	1,973,044.80
Goodwill		1.00
Deferred		
Prepaid expenses, supplies, etc.	61,134.51	
Refinancing expense, unamortized portion	32,093.83	93,228.34
		$4,431,813.76

WE HEREBY CERTIFY, that we have examined th
GRAPH COMPANY—CLEVELAND, and that, in our op
obtained by us and subject to any necessary adjustment up
the accompanying Balance Sheet is drawn up so as to cor
the close of business June 30, 1925, and the relative Operat

Cleveland, Ohio, August 24, 1925.

SHEET

H COMPANY, CLEVELAND

siness June 30, 1925

LIABILITIES

Current			
Notes Payable		$ 52,472.60	
Accounts Payable		290,166.72	
Dividends Payable		66,548.50	
Accrued		39,623.69	$ 448,811.51
Gold Notes 6%—Due June 26, 1926			948,300.00
Deferred Liability			30,344.93
Reserve for Federal Taxes and Contingencies			292,261.21
Nominal			
Preferred 7% Cumulative			
Authorized .....$	380,000.00		
Less: Retired	6,900.00	373,100.00	
Common—Declared Value $5. per share			
Authorized 100,000 shares $	500,000.00		
Less: unissued 28,976 shs.	144,880.00		
Issued 71,024 shs. $	355,120.00		
Surplus, as per statement...	1,983,876.11	2,338,996.11	2,712,096.11
			$4,431,813.76

NOTE: The Company is reported as being contingently liable at June 30, 1925 as endorser on notes receivable discounted in the amount of $35,446.13.

e books of account and record of THE MORGAN LITHO-inion, based upon the records examined and information on determination of the final liability for Federal Taxes, rectly set forth the financial position of the Company as of ing Statement is correct.

(Signed) ERNST & ERNST

INCOME AND EXPENSE

THE MORGAN LITHOGRAPH COMPANY, CLEVELAND

For the year ended June 30, 1925

INCOME

Net Sales		$2,024,567.40
Cost of Sales		1,287,813.21
Manufacturing Profit		736,754.19

EXPENSES

Selling	$ 125,231.29	
General and Administrative	85,648.90	210,880.19
Operating Profit		$ 525,874.00

OTHER DEDUCTIONS

Interest Paid	$ 10,290.52	
Donations	6,352.13	
Miscellaneous	10,474.11	27,116.76
		$498,757.24

OTHER INCOME

Profit on Sale of Securities	$ 7,001.94	
Interest earned	2,401.92	
Dividends received	2,313.00	
Miscellaneous	657.92	12,374.78
		$511,132.02
Net Profit—New York Plants—4 days		961.84
Net Profit Before Providing for Federal Taxes and Contingencies		$512,093.86
Provision for Federal Taxes and Contingencies		65,000.00
NET PROFIT		$447,093.86

SURPLUS ACCOUNT

THE MORGAN LITHOGRAPH COMPANY, CLEVELAND

As at June 30, 1925

Balance as per Audited Account, June 30, 1924			$1,260,086.38
ADDITIONS			
Appreciation in book value of Buildings, Equipment, etc. to appraised value as of July 31, 1922—less allowance for depreciation	$299,065.16		
Excess book value of Net Assets of Companies acquired as of June 25, 1925, over cash paid and declared value of Common stock issued therefor	494,161.90		
Discount on preferred stock purchased for retirement	1,563.50		
Premium on Common stock sold	1,140.00		
Net Profit for year ended June 30, 1925 as per Income and Expense Statement	447,093.86		
		$1,243,024.42	
DEDUCTIONS			
Additional provision for Contingencies	$200,000.00		
Preferred Dividends paid in cash	26,973.95		
Common Dividends paid in cash	225,000.00		
Common Dividends paid in stock on August 24, 1924 —10,000 shares at declared value of $5. per share	50,000.00		
Appreciation included in book value of machinery sold	17,260.74	519,234.69	723,789.73
BALANCE JUNE 30, 1925			$1,983,876.11